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## **STATE GOVERNMENT CREDIT RATING RAISED, FINANCES AMONG TOPS IN NATION**

PIERRE, S.D. – Gov. Dennis Daugaard says state government has received high marks for financial strength in a new report from Standard & Poor's, one of the world's most respected and widely used sources for independent credit ratings, financial research and risk analysis.

The complimentary report came as the firm upgraded the issuer credit rating (ICR) on South Dakota to AA+. That rating had previously been AA. Standard & Poor's also raised the rating on South Dakota Building Authority's lease revenue bonds to AA, from the previous AA-, and the rating on South Dakota Economic Development Finance Authority's economic development revenue bonds was raised to A+, from the previous A rating.

The favorable bond ratings reflect the financial strength of the South Dakota economy and mean that the bonds will sell at more favorable interest rates for the state.

Despite the national recession, South Dakota's "financial position remains strong," said Standard & Poor's. The new report credited state government for "stable financial performance ... and a low level of long-term liabilities."

"This outside review proves that state government has acted prudently and responsibly during the recession," Gov. Daugaard said. "Standard & Poor's is conservative when it comes to bond ratings, and this new report is convincing evidence that the state's finances are being properly handled. Passing a Fiscal Year 2012 budget that cuts spending by \$127 million and does not raise taxes or raid reserves is part and parcel of that strong management."

The Standard & Poor's report says South Dakota has:

- An expanding and diverse economy that is anchored by agriculture, tourism and services
- A long history of strong financial operations and good revenue performance
- Strong reserves
- A business-friendly tax climate and lack of a corporate or individual income tax

"This report is welcome news," Gov. Daugaard said. "It confirms that we are on a financial track that will help us out of the recession and lead to business expansion, more jobs, and improved revenues."

